



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

May 8, 2012

Certified Return Receipt Requested  
7004 1160 0003 0191 8830

Mark Carter  
MMG Mining  
3655 Lupin Way  
St. George, Utah 84790

Subject: Division Directive to Re-Lease or Reclaim, MMG Mining, Bald Knoll Mine,  
S/025/0012, Kane County, Utah

Dear Mr. Carter:

The Division of Oil, Gas and Mining has been notified by the School and Institutional Trust Lands Administration (SITLA) that you no longer have a valid lease for the mineral rights at the Bald Knoll Mine. In addition, the Division's records indicate that the last production occurred in 2007, and, per rule R647-3-113.5, reclamation of mining-related disturbance may be required after five years of inactivity.

You are required to either:

- 1) Notify the Division that you have a new SITLA lease by June 1, 2012, or
- 2) Reclaim the mining-related disturbance by September 1, 2012.

**In either case, please notify the Division no later than June 1, 2012, which option you decide to pursue.**

If you sign a new lease, you will be permitted to resume mining operations within the approved disturbance area which may be up to five acres. Your reclamation surety amount is \$24,600. This amount is due for evaluation in January 2013.

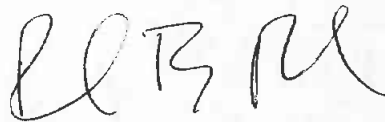
Failure to complete reclamation as required may result in enforcement action and associated fine.



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Mark Carter  
S/025/0012  
May 8, 2012

If you have questions or concerns about this letter, please contact Peter Brinton at 801-538-5258, or me at 801-538-5261. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "PBB" followed by a stylized flourish.

Paul B. Baker  
Mining Program Manager

PBB: pnb: eb

cc: John Blake, SITLA (jblake@utah.gov)

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